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MITT ROMNEY
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January 28, 2004

To the Honorable Senate and House of Representatives:

I am filing herewith for your consideration a bill entitled "An Act to Clarify Certain Tax Provisions and Improve Various Activities of the Department of Revenue." This legislation will make necessary changes to our existing tax laws, will prevent the continued loss of critical tax revenue and will serve to improve and streamline the Department's administrative functions.

This legislation contains several sections aimed at aligning the Commonwealth's existing tax laws with their original intent. These flaws in the tax code cost the Commonwealth millions of dollars a year in lost revenue by permitting corporations to shelter certain activities that were intended to be subject to taxation. Given the difficult fiscal challenges confronting the Commonwealth, these costly weaknesses in the tax code warrant swift correction.

This bill also contains provisions that will upgrade the Department of Revenue's collection functions at a significant cost savings to the agency. For instance, sections 22, 23, and 51 establish an electronic registry that would allow the Department to centrally file liens for both tax and child support obligations, rather than having to file liens with individual registries of deeds. Moreover, section 20 is a streamlining initiative intended to make more effective the Department of Revenue's remedy of revoking or suspending a professional license if the taxpayer/license holder fails to file a tax return or pay a tax, fails to pay child support, or fails to file wage reports. In addition, sections 2 to 6 amend the existing process of valuing state-owned land, which will result in more up to date values for the host communities while substantially reducing the Department expenses in administering the program.

I urge your prompt and favorable consideration of this bill.

Respectfully submitted,

Mitt Romney
Governor